GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department - Proposal of M/s.LG Electronics Private Limited for setting up Manufacturing of Home Appliances & Consumer Durables in Sricity, Tirupati – Extension of tailor-made incentives and certain facilitation as per the Andhra Pradesh Industrial Development Policy (4.0) 2024-29- Orders - Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.MS.No. 77 **Dated: 26-11-2024**

Read the following:

1. Request of LG Electronics Private Limited for the approval of Special Package of Incentives, O/o the APIIC Ltd, e-file:APIIC-17/193/2024-ASSET MGMT-APIIC (Comp.No.2623176).
2. Minutes of the State Investment Promotion Committee meeting held on 16.11.2024.
3. Minutes of the State Investment Promotion Board meeting held on 19.11.2024.

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ORDER:

In the 1st reference read above, M/s.LG Electronics Private Limited have proposed to setup Refrigerator, Air Conditioner and Washing Machine and components like Compressor (Air Conditioner & Refrigerator), Motor Compressor and Heat Exchanger manufacturing facility with an estimated investment of INR 5,001 Cr and direct employment of 1,495 in Sricity, Tirupati. The timelines proposed by the company for implementation of the project are:

Development Stage	Proposed Deadline
Land Acquisition & Approvals	Dec 2024
Start of Construction	Jan 2025
Air-Conditioner Production Start	Dec 2026
AC Compressor Production Start	Apr 2027
Washing Machine Production Start	Oct 2027
Refrigerator Production Start	Apr 2028
AC Compressor Expansion	Jan 2029
Air-Conditioner Expansion	Jan 2030

2. Accordingly, M/s.LG Electronics Private Limited has requested the provision of the following inputs such as land and certain facilitations and also for certain financial incentives.

1. Land to an extent of 247 acres in Sricity, Tirupati District

2. Fiscal Incentives:
    a. Capital Subsidy for 20 years to recoup 100% incentives.
    b. SGST Refund on Construction Work
    c. 50% Subsidy for Electricity Tariff for 20 years.
    d. 100% Exemption from Electricity Duty for 20 years
    e. 100% Subsidy for Water Consumption for 20 years (65 INR/KL)
    f. Waiver on Stamp Duty and Registration fees
    g. INR 6,000 per month per worker as Skilling Subsidy for 5 years

3. Accordingly, the proposal was placed before the State Investment Promotion Board (SIPB) meeting held on 19.11.2024 with recommendations of State Investment Promotion Committee (SIPC) in its meeting held on 16.11.2024. The SIPB after detailed discussion, has recommended to place their recommendations to extend certain special package of incentives to M/s .LG Electronics Private Limited for setting up of Refrigerator, Air Conditioner and Washing Machine and components like Compressor (Air Conditoner & Refrigerator), Motor Compressor and Heat Exchanger manufacturing facility with an estimated investment of INR 5,001 Cr and direct employment of 1,495 in Sricity, Tirupati.

4. Government, after careful consideration of the decision of the State Investment Promotion Board, hereby accord administration sanction with the following special package to M/s.LG Electronics Private Limited for setting up of Refrigerator, Air Conditioner and Washing Machine and components like Compressor (Air Conditioner & Refrigerator), Motor Compressor and Heat Exchanger manufacturing facility in Sricity, Tirupati.

a. Approval to APIIC to proceed for acquiring 188 Acres of land under LA for others and subsequent transfer to Sri City on actual cost basis.
b. LG Electronics to complete the total project investment of more than Rs 5,000 Crores within 4 years.
c. Considering LG investments to be a Mega Investment of more than Rs 5000 crores to be invested over a period of 4 years and its potential to bring ancillaries and create ecosystem for white good manufacturing in the State of Andhra Pradesh, Approval of fiscal Incentive of 100% of total investment over a period of 20 years as recommended by the Industries Department as given below.

    i. Waiver on Stamp Duty and Registration Fees
    ii. 100% Subsidy for Water Consumption for 20 years (65 INR/KL)
    iii. SGST Refund on Construction Work
    iv. 100% Exemption from Electricity Duty for 20 years
    v. 50% Subsidy for Electricity Tariff for 20 years.
    vi. INR 6,000 per month per worker as Skilling Subsidy for 5 years

Vii.Capital Subsidy for 20 years to recoup 100% incentives.

5. The incentives shall be made applicable subject to company adhering to the definite time lines for implementation of the project and investment and employment commitment from the company as per the proposal submitted.

6. Government also agrees to the recommendation of the SIPB and the Department is instructed to work out for Industrial Housing in the nearby locality of Sri City Industrial Area, dovetailing GOI schemes and involving private partnership and duly involving all the line departments concerned.

7. The Special Chief Secretary/PrincipalSecretary/Secretary of the concerned departments such as Power, Water Resources Department, Industry and Commerce (CIP), Skill Development Department, Revenue (Land, Registration and Stamps), Finance Department and other departments concerned are requested to take further necessary action accordingly, duly instructing their HODs and PSUs under them for expeditious grounding and implementation of the mega project.

8. The Vice Chairman & Managing Directing, Andhra Pradesh Industrial Infrastructure Corporation Limited. Mangalagiri and the Director of Industries, Andhra Pradesh shall take further necessary action accordingly in coordination with the line Departments.

9. As envisaged under the Andhra Pradesh Industrial Development Policy (4.0) 2024-29, the Director of Industries shall assign the handholding for facilitations of all the inputs as required for expeditious grounding and implementation of this mega project to a senior level officer and should try to ensure that the project is implemented as per the expected timelines, duly facilitating the required approvals and clearances under the Single Desk Portal 2.0 and duly implementing the project as per the intended spirit of the Speed of Doing Business.

10. The Director of Industries should ensure that the PMU with the Department monitors the progress of the mega project, duly bringing the issues that are to be resolved, to the respective line departments, from time to time and resolve the issues and intimate the status of the progress of the project to the Government from time to time and bring the issues for resolution at the government end, if any, for smooth execution of the project.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, APIIC Ltd., Mangalagiri.
The Director of Industries, A.P., Mangalagiri.

The M/s.LG Electronics Private Limited.
The Special CS/Principal Secretary/Secretary of the concerned department viz,
The Revenue (Land, Registration and Stamps) Department,
The Finance Department,
The PR&RD Department,
The MA&UD Department,
The EFS&T Department,
The Energy Department,
The Water Resource Department,
The Roads and Buildings Department,
The Skill Development Department,
The Infrastructure and Investment Department,
The Industry and Commerce (CIP) Department,
The Industry and Commerce (Mines) Department and other Departments concerned
The Collector & District Magistrate, Tirupati District., Tirupati.

Copy to:

The Finance (FMU-I&I, Energy and I&C) Department.
The Revenue (CT) Department.
The Law (H) Department
The Accountant General, Andhra Pradesh.
The Commissioner of Taxes.
The P.S. to Principal Secretary to Chief Minister.
The P.S. to Hon'ble Minister (Ind. &Comm. Food Processing).
The P.S. to Chief Secretary to Government of Andhra Pradesh.
The P.S. to Secretary to Government & CIP, Industries& Commerce Department.
The G.A. (Cabinet.I) Department.
SC/SF.

//FORWARDED::BY ORDER//

SECTION OFFICER